



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **SB 398** SLS 12RS 624
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: March 16, 2012 2:11 PM	Author: GALLOT
Dept./Agy.: Parish Sheriff Offices	
Subject: Alternative Bidding mechanism for tax sales	Analyst: Julie Magee

TAX/SALES OR SEE FISC NOTE LF EX Page 1 of 1
Constitutional amendment to provide an alternative bidding procedure on property at a tax sale. (2/3-CA13s1(A))

Purpose of Bill: This measure provides an alternative to the least quantity of property bidding mechanism, in which any bidder may bid down the five percent redemption penalty in increments of one-tenth of one percent. The least quantity of property bidding mechanism allows the collector to immediately sell the least quantity of property of which any bidder will buy. The property sold at a tax sale can be repurchased by the debtor within three years after the date of the tax sale, by paying the price given, including cost of tax sale, interest rate of one percent per month until redemption, and the five percent redemption penalty which may be less depending on the bidding based on this measure.

The impact of this bill is dependent upon a vote of the people at an election scheduled for November 6, 2012. The enabling legislation for the constitutional amendment is SB 605.

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

According to an official with the East Baton Rouge Parish Sheriff’s Office, this measure will have no fiscal impact on East Baton Rouge Parish. However, the official stated that the measure may increase expenditures in parishes in which the tax collector does not have a sophisticated IT system, because of the additional paperwork that may be required.

An official with the West Baton Rouge Parish Sheriff’s Office stated that their office may need to purchase software to allow for bidding on the redemption penalty. The official could not give an estimate of the cost of the software.

An official with the Lafayette Parish Sheriff’s Office stated that his office would have to program software which is currently used for bidding in small increments. However, any fiscal impact would be immaterial.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Official from the East Baton Rouge Parish, West Baton Rouge Parish and Lafayette Parish sheriff offices stated that this bill would have no fiscal impact on revenues.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Joy Irwin Director of Advisory Services